

This page is a reference page used to track documents internally for the Division of Oil, Gas and Mining

Mine Permit Number 51007/0038 Mine Name Italian Tan Quarry  
Operator Quality Building Stone Date Sent July 22 2013  
TO \_\_\_\_\_ FROM \_\_\_\_\_

☐ CONFIDENTIAL ☒ BOND CLOSURE ☐ LARGE MAPS ☐ EXPANDABLE  
☐ MULTIPUL DOCUMENT TRACKING SHEET ☐ NEW APPROVED NOI  
☐ AMENDMENT ☐ OTHER \_\_\_\_\_

Description YEAR-Record Number

☐ NOI ☐ Incoming ☒ Outgoing ☐ Internal ☐ Superceded  
Notice of File Closure and Release of Reclamation Surety  
2013-07222013

☐ NOI ☐ Incoming ☐ Outgoing ☒ Internal ☐ Superceded  
Bond File 2013-07222013

**CONFIDENTIAL**

☐ NOI ☐ Incoming ☐ Outgoing ☒ Internal ☐ Superceded  
Bond File 2013-07222013

☐ NOI ☐ Incoming ☐ Outgoing ☐ Internal ☐ Superceded

☐ TEXT/ 81/2 X 11 MAP PAGES ☐ 11 X 17 MAPS ☐ LARGE MAP

COMMENTS: \_\_\_\_\_

CC: \_\_\_\_\_





GARY R. HERBERT  
Governor

GREGORY S. BELL  
Lieutenant Governor

# State of Utah

## DEPARTMENT OF NATURAL RESOURCES

MICHAEL R. STYLER  
Executive Director

### Division of Oil, Gas and Mining

JOHN R. BAZA  
Division Director

July 9, 2013

Central Bank  
182 North Main  
Payson, Utah 84651

Subject: Authorization for Transfer of Reclamation Surety, Letter of Credit [redacted], Quality Building Stone, Transfer from Italian Tan, S/007/0038, Carbon County, Utah, to Amis 1 Mine, S/049/0038, Utah County, Utah

Dear Sir or Madam:

Central Bank is presently holding letter of credit # [redacted] for the benefit of the State of Utah, Division of Oil, Gas and Mining as a form of reclamation surety for Quality Building Stone's Italian Tan quarry, permit number S/007/0038. This site has been fully reclaimed, and the Division authorizes transfer of this letter of credit to serve as a portion of the reclamation surety for the Amis #1 quarry, permit number S/049/0038.

When this transfer has been completed, please supply the Division with an amended or new letter of credit for the Amis 1 project showing the new permit number or new amount.

Please contact Penny Berry at 801-538-5291 if you have questions or concerns about this authorization. Thank you for your help in this matter.

Sincerely,

For John R. Baza  
Director

JRB:whw:pb

cc: Velina Miller, Quality Building Stone

P:\GROUPS\MINERALS\WP\M007-Carbon\S0070038-ItalianTan\final\LOCR-5369-07082013.doc







GARY R. HERBERT  
Governor

GREGORY S. BELL  
Lieutenant Governor

# State of Utah

## DEPARTMENT OF NATURAL RESOURCES

### Division of Oil, Gas & Mining

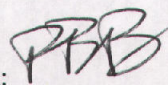
MICHAEL R. STYLER  
Executive Director

JOHN R. BAZA  
Division Director

### Inspection Report

### Minerals Regulatory Program

### June 19, 2013

Reviewed: 

|   |                                       |
|---|---------------------------------------|
| <b>Mine Name:</b> Italian Tan                       | <b>Permit Number:</b> S/007/0038      |
| <b>Operator Name:</b> Quality Building Stone        | <b>Inspection Date:</b> June 13, 2013 |
| <b>Inspector(s):</b> Wayne Western and Mike Bradley | <b>Time:</b> 5:00 – 5:30 pm           |
| <b>Other Participants:</b> none                     | <b>Mine Status:</b> REC               |
| <b>Weather Condition:</b> 80's and clear skies      | <b>Last Inspection:</b> July 11, 2012 |
| <b>Bond Renewal Date:</b> NA                        | <b>Bond Amount:</b> \$3,000.00        |
| <b>Surface Ownership:</b> Fee                       | <b>Mineral Ownership:</b> Fee         |
| <b>Last Year of Production:</b> 2004                | <b>Acreage:</b> 5 acres               |

| Elements of Inspection  | Evaluated                           | Comment                  | Enforcement              |
|---|-------------------------------------|--------------------------|--------------------------|
| 1. Permits, Revisions, Transfer,  | <input checked="" type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| 2. Bond/Bond Release  | <input type="checkbox"/>            | <input type="checkbox"/> | <input type="checkbox"/> |
| 3. Annual Fees  | <input type="checkbox"/>            | <input type="checkbox"/> | <input type="checkbox"/> |
| 4. Annual Report  | <input type="checkbox"/>            | <input type="checkbox"/> | <input type="checkbox"/> |
| 5. Public Safety (shafts, adits, trash, signs, highwalls)                       | <input type="checkbox"/>            | <input type="checkbox"/> | <input type="checkbox"/> |
| 6. Protection of Drainages / Erosion Control                                    | <input type="checkbox"/>            | <input type="checkbox"/> | <input type="checkbox"/> |
| 7. Deleterious Material   | <input type="checkbox"/>            | <input type="checkbox"/> | <input type="checkbox"/> |
| 8. Roads (maintenance, surfacing, dust control, safety)                         | <input type="checkbox"/>            | <input type="checkbox"/> | <input type="checkbox"/> |
| 9. Concurrent Reclamation   | <input type="checkbox"/>            | <input type="checkbox"/> | <input type="checkbox"/> |
| 10. Backfilling/Grading (trenches, pits, roads, highwalls, shafts, drill holes) | <input type="checkbox"/>            | <input type="checkbox"/> | <input type="checkbox"/> |
| 11. Water Impoundments  | <input type="checkbox"/>            | <input type="checkbox"/> | <input type="checkbox"/> |
| 12. Soils   | <input type="checkbox"/>            | <input type="checkbox"/> | <input type="checkbox"/> |
| 13. Re-vegetation   | <input type="checkbox"/>            | <input type="checkbox"/> | <input type="checkbox"/> |
| 14. Air Quality   | <input type="checkbox"/>            | <input type="checkbox"/> | <input type="checkbox"/> |
| 15. Other   | <input type="checkbox"/>            | <input type="checkbox"/> | <input type="checkbox"/> |

### Purpose of Inspection:

This was a bond release inspection. The main purpose was to determine if the site met the minimum vegetation requirement since partial bond release had been granted.

### Inspection Summary:

The main area of concern was the gully. The Operator had reclaimed the site by had due to the steep slope. They had spread seed. In 2012 Paul Baker visited the site and determined that it did not meet the minimum cover requirements.

During the 2013 inspection, Mike Bradley determined that there was now sufficient cover for bond release. See pictures.



While there are still rills on the site they do not appear to have increased in size since the Division monitored the reclamation. In 2012, the land owner stated that they were satisfied with the reclamation.

**Conclusions and Recommendations:**

The Division should grant full bond release.

**Directions to Site:**

**Inspector's Signature** \_\_\_\_\_

WHW:

cc: (OPERATOR)

O:\M007-Carbon\S0070038-ItalianTan\inspections\ins-06132013.doc





Area that had been reclaimed and reseeded



Close up of vegetation.





Areas reclaimed and reseeded



Reclaimed and reseeded area. Note undisturbed area.



**STATE OF UTAH**  
**DEPARTMENT OF NATURAL RESOURCES**  
**DIVISION of OIL, GAS and MINING**  
1594 West North Temple, Suite 1210  
Box 145801  
Salt Lake City, Utah 84114-5801  
(801) 538-5291  
Fax: (801) 359-3940

---ooOoo---

**SMALL MINE RECLAMATION CONTRACT**

This Reclamation Contract (hereinafter referred to as "Contract") is entered into between Quality Building Stone, Inc. the "Operator" and the Utah State Division of Oil, Gas and Mining ("Division").

WHEREAS, Operator desires to conduct mining operations under Notice of Intention (NOI) File No. S/007/0038 which the Operator has filed with the Division and has been determined by the Division to be complete (Complete NOI) as required by the Utah Mined Land Reclamation Act, Sections 40-8-1 et seq., Utah Code Annotated, (2005, as amended) (hereinafter referred to as "Act") and the regulations adopted pursuant to the Act; and

WHEREAS, Operator is obligated to reclaim the lands affected by the mining operations in accordance with the Act and the regulations, and is obligated to provide a surety in a form and amount approved by the Division or the Board of Oil, Gas and Mining (Board) to assure reclamation of the lands affected by the mining operations.

NOW, THEREFORE, the Division and the Operator agree as follows:

1. Operator agrees to promptly reclaim in accordance with the requirements of the Act and applicable regulations, as they may be amended, all of the lands affected by the mining operations conducted or to be conducted pursuant to a Complete Notice of Intention.
2. The Lands Affected by the mining operations and subject to the requirements of the Act and this Contract include:
  - A. All surface and subsurface areas affected or to be affected by the mining operations including but not limited to private on-site ways, roads, railroads; land excavations; drill sites and workings; refuse banks or spoil piles; evaporation or settling



ponds; stockpiles; leaching dumps; placer areas; tailings ponds or dumps; work, parking, storage, and waste discharge areas, structures, and facilities; and

- B. All mining disturbances regardless of discrepancies in the map and legal description, unless explicitly and clearly identified as EXCLUDED on maps, and legal descriptions included in the Complete NOI; provided lands may be excluded only if: (1) they were disturbed by mining operations that ceased prior to July 1, 1977; (2) the lands would be included but have been reclaimed in accordance with a complete notice or reclamation plan; or (3) the lands were disturbed by a prior operation for which there is no surety, no legally responsible entity or person, and which lands are not necessarily or incidentally intended to be affected by the mining operations as described in the Complete NOI.
- 3. The Operator shall be responsible for reclamation of all such Lands Affected regardless of errors or discrepancies in the maps or legal descriptions provided with the NOI which are intended to assist in determining the location of the mining operations, to describe the areas of disturbance, and to assist estimating the amount of surety required.
  - 4. The Operator prior to commencement of any mining operations and as a precondition to the rights under the Notice of Intention shall provide a surety in a form permitted by the Act and in an amount sufficient to assure that reclamation of the Lands Affected will be completed as required by the Act. The Surety shall remain in full force and effect according to its terms unless modified by the Division in writing. A copy of the agreement providing for the Surety for the reclamation obligations herein is included as **ATTACHMENT A** to this Contract.
  - 5. If the Surety expressly provides for cancellation or termination for non-renewal:
    - A. The Operator shall within 60 days following the Division's receipt of notice that the Surety will be terminated or cancelled, provide a replacement Surety sufficient in a form and amount, as required by the Act, to replace the cancelled surety; or
    - B. If the Operator fails to provide an acceptable replacement Surety within 60 days of notice of cancellation or termination, the Division may order the Operator to cease further mining activities, and without further notice proceed to draw upon letters of credit, to withdraw any amounts in certificates of deposit or cash and/or any other forms of surety, and to otherwise take such action as may be necessary to secure the rights of the Division to perfect its claim on the existing surety for the purpose of fully satisfying all of the reclamation



obligations incurred by the Operator prior to the date of termination, and the Division may thereafter require the Operator to begin immediate reclamation of the Lands Affected by the mining operations, and may, if necessary, proceed to take such further actions as may be required for the Division to forfeit the surety for the purpose of reclaiming the Lands Affected.

6. The Operator's liability under this Contract shall continue in full force and effect until the Division finds that the Operator has reclaimed the Lands Affected by mining operations in accordance with the Act and regulations, as amended. If the mining operations are modified or for any other reason vary from those described in the Complete Notice of Intention, the Operator shall immediately advise the Division, and the Notice of Intention shall be revised and the Surety amount shall be adjusted as necessary.
7. If reclamation of a substantial phase or segment of the Lands Affected by the mining operations is completed to the satisfaction of the Division, and the Division finds that such substantial phases or segments are severable from the remainder of the mining area, Operator may request the Division to find that Operator has reclaimed such area. If the Division makes such finding, Operator may make request to the Division for a reduction in the aggregate face amount of the Surety, and the Division may reduce the surety to an amount necessary to complete reclamation of the remaining mining operations as anticipated by the Complete Notice of Intention in accordance with the requirements of the Act and regulations, as amended.
8. Operator may, at any time, submit a request to the Division to substitute surety. The Division may approve such substitution if the substitute surety meets the requirements of the Act and the applicable rules.
9. Operator agrees to pay all legally determined public liability and property damage claims resulting from mining operations, to pay all permit fees, to maintain suitable records, to file all required reports, to permit reasonable inspections, and to fulfill all sundry reporting requirements applicable to the mine as required by the Act and implementing rules.
10. Operator agrees to indemnify and hold harmless the State, Board, and the Division from any claim, demand, liability, cost, charge, suit, or obligation of whatsoever nature arising from the failure of Operator or Operator's agents and employees, or contractors to comply with this Contract.
11. If Operator shall default in the performance of its obligations hereunder, Operator shall be liable for all damages resulting from the breach hereof including all costs, expenses, and reasonable attorney's fees incurred by the Division and/or the Board in the enforcement of this Contract.



12. Any breach of a material provision of this Contract by Operator may, at the discretion of the Division, in addition to other remedies available to it, result in an order by the Division requiring the Operator to cease mining operations, and may thereafter result in an Order, subject to an opportunity for notice and hearing before the Board, withdrawing and revoking the Notice of Intention, and requiring immediate reclamation by the Operator of the Lands Affected or forfeiture of the Surety.
13. In the event of forfeiture of the Surety, Operator shall be liable for any additional costs in excess of the surety amount that is required to comply with this Contract. Upon completion of the reclamation of all of the Lands Affected, any excess monies resulting from forfeiture of the Surety shall be returned to the rightful claimant.
14. The Operator shall notify the Division immediately of any changes in the Operator's registered agent, the Operator's address, form of business, name of business, significant changes in ownership, and other pertinent changes in the information required as part of the Notice of Intention. Notwithstanding this requirement, any changes to the Notice of Intention, and any errors, omissions, or failures to fully or accurately complete or update the information on the Notice of Intention, or the attached maps, shall not affect the validity of this Contract and the rights of the Division to enforce its terms.
15. If requested by the Division, the Operator shall execute addendums to this Contract to add or substitute parties, or to reflect changes in the Operator, Surety, and otherwise modify the Contract to reflect changes in the mining operations as requested by the Division. All modifications must be in writing and signed by the parties, and no verbal agreements, or modifications in any of the terms or conditions shall be enforceable.
16. This Contract shall be governed and construed in accordance with the laws of the State of Utah.



The signatory below represents that the Operator, if not a natural person, is a properly organized entity in good standing under the laws of Utah and the United States, is registered as an entity authorized to do business in the State of Utah, and that he/she is authorized to execute this Contract on behalf of the entity as Operator.

OPERATOR:

Quality Building Stone Inc  
Operator Name

By Velina Miller for QBS  
Authorized Officer (Typed or Printed)

Velina Miller Owner/President  
Authorized Officer - Position

Velina Miller  
Officer's Signature

1 Apr 2013  
Date

STATE OF Utah )

) ss:

COUNTY OF Salt Lake )

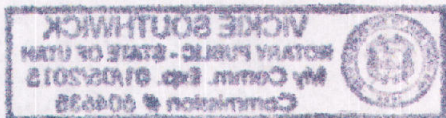
On the 1 day of April, 20 13, Velina Miller  
personally appeared before me, who being by me duly sworn did say that  
he/she is an owner (owner, officer, director, partner, agent  
or other (specify)) of the Operator Quality Building Stone Inc and duly  
acknowledged that said instrument was signed on behalf of said Operator by  
authority of its bylaws, a resolution of its board of directors or as may otherwise  
be required to execute the same with full authority and to be bound hereby.

Vickie Southwick  
Notary Public  
Residing at Salt Lake

1-5-2015  
My Commission Expires:

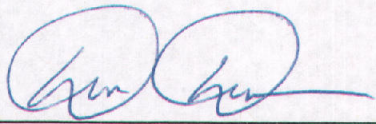








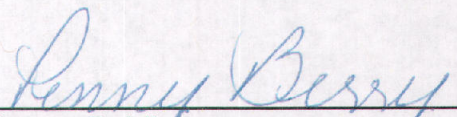
DIVISION OF OIL, GAS AND MINING:

By   
Dana Dean, P.E., Associate Director

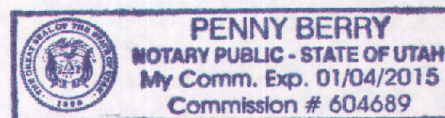
April 3, 2013  
Date

STATE OF Utah )  
COUNTY OF Salt Lake ) ss:

On the 3 day of April, 2013, Dana Dean  
personally appeared before me, who being duly sworn did say that she, the said  
Dana Dean is the Associate Director of the Division of Oil, Gas  
and Mining, Department of Natural Resources, State of Utah, and she duly acknowl-  
edged to me that she executed the foregoing document by authority of law on behalf of  
the State of Utah.

  
Notary Public  
Residing at: Salt Lake

1/4/2015  
My Commission Expires:





## FACT SHEET

**Commodity:** Building Stone

**Mine Name:** Italian Tan

**Permit Number:** S/007/0038

**County:** Carbon

**Disturbed Acres:** \_\_\_\_\_

**Operator Name:** Quality Building Stone, Inc.

**Operator address:** 933 West 14730 South, Bluffdale, Utah 84065

**Operator telephone:** 801-255-2911

**Operator fax:** 801-562-9597

**Operator email:** qstone@qualitybuildingstone.com

**Contact:** Velina Miller

**Surety Type:** Certificate of Deposit

**Held by (Bank/BLM):** Central Bank

**Surety Amount:** 3,000<sup>00</sup>

**Surety Account Number:** \_\_\_\_\_

**Escalation Year:** \_\_\_\_\_

**Tax ID or Social Security (for cash only):** \_\_\_\_\_

**Surface owner:** Fee

**Mineral owner:** Fee

**UTU and/or ML number:** N/A

\*\*\*DOGM Contact: Penny Berry, State of Utah, Division of Oil Gas and Mining, 801 538 5291 or  
bondcoordinator@utah.gov



FORM MR-RC  
Revised May 9, 2005  
RECLAMATION CONTRACT

File Number S/007/038

Effective Date July 28, 2005

Other Agency File Number n/a

**STATE OF UTAH**  
**DEPARTMENT OF NATURAL RESOURCES**  
**DIVISION of OIL, GAS and MINING**  
1594 West North Temple Suite 1210  
Box 145801  
Salt Lake City, Utah 84114-5801  
(801) 538-5291  
Fax: (801) 359-3940

**RECEIVED**

**JUL 22 2005**

**RECLAMATION CONTRACT**

---ooOoo---

**DIV OF OIL GAS & MINING**

For the purpose of this RECLAMATION CONTRACT the terms below are defined as follows:

|   |  |
|---|--|
| "NOTICE OF INTENTION" (NOI): (File No.) | <u>S/007/038</u>   |
| (Mineral Mined)                         | <u>Building Stone</u>  |
| "MINE LOCATION":                        |  |
| (Name of Mine)                          | <u>Italian Tan</u>   |
| (Description)                           | <u>Just east of the Martin Train Yard at the mouth of Hardscrabble Canyon in Helper, Carbon County, Utah</u> |
| "DISTURBED AREA":                       |  |
| (Disturbed Acres)                       | <u>5 Acres</u>   |
| (Legal Description)                     | <u>(Refer to Attachment A)</u>   |
| "OPERATOR":                             |  |
| (Company or Name)                       | <u>Quality Building Stone, Inc.</u>  |
| (Address)                               | <u>993 West 14730 South</u>  |
|   | <u>Bluffdale, Utah 84065</u>   |
| (Phone)                                 | <u>(801) 255-2911</u>  |



"OPERATOR'S REGISTERED AGENT":

Name)

(Address)

(Phone)

Velina K. Miller

993 West 14730 South

Bluffdale, Utah 84065

(801) 255-2911

"OPERATOR'S OFFICER(S)" & TITLE:

J. Weston Hansen, Director

Velina K. Miller, President and Director

Patricia Jensen, Secretary/Treasurer and  
Director

SURETY":

(Form of Surety - Attachment B)

Letter of Credit

"SURETY COMPANY":

(Name, Policy or Acct. No.)

Far West Bank

01-541372-7

"SURETY AMOUNT":

(Escalated Dollars)

\$12,500

"ESCALATION YEAR":

2006

"STATE":

State of Utah

"DIVISION":

Division of Oil, Gas and Mining

"BOARD":

Board of Oil, Gas and Mining

ATTACHMENTS:

A "DISTURBED AREA":

B "SURETY":

This Reclamation Contract (hereinafter referred to as "Contract") is entered into between Quality Building Stone the "Operator" and the Utah State Division of Oil, Gas and Mining ("Division").

WHEREAS, Operator desires to conduct mining operations under Notice of Intention (NOI) File No. S/007/038 which has been approved/accepted by the Utah State Division of Oil, Gas and Mining under the Utah Mined Land Reclamation Act, Sections 40-8-1 et seq., Utah Code Annotated, (1953, as amended) (hereinafter referred to as "Act") and implementing rules; and

WHEREAS, Operator is obligated to reclaim that area described as the Disturbed Area as set forth and in accordance with Operator's approved/accepted Reclamation Plan or Notice, and Operator is obligated to provide surety in form and amount approved by the Division, to assure reclamation of the Disturbed Area.



NOW, THEREFORE, the Division and the Operator agree as follows:

1. Operator agrees to conduct reclamation of the Disturbed Area in accordance with the Act and implementing regulations, the Reclamation Plan and/or Notice of Intention received by the Division on June 23, 2005. The Reclamation Plan and/or Notice of Intention, as amended, are incorporated by this reference and made a part hereof.
2. Concurrent with the execution hereof, Operator has provided surety to assure that reclamation is conducted, in form and amount acceptable to the Division. Such surety as evidenced by the Surety Contract is in the form of the surety attached hereto as Attachment B and made a part hereof. The Surety Contract shall remain in full force and effect according to its terms unless modified by the Division in writing. If the Surety Contract expressly provides for cancellation, then, within 60 days following the Division's receipt of notice that the Surety Company intends to cancel the Surety Contract, the Operator shall provide a replacement Surety Contract in a form and amount reasonably acceptable to the Division. If the Operator fails to provide an acceptable replacement Surety Contract, the Division may order the Operator to cease further mining activities and to begin immediate reclamation of the Disturbed Area.
3. Operator agrees to pay legally determined public liability and property damage claims resulting from mining to the extent provided in Section 40-8-7(1)(e) of the Act.
4. Operator agrees to perform all duties and fulfill all reclamation requirements applicable to the mine as required by the Act and implementing rules, the Notice of Intention, as amended and the Reclamation Plan, as amended.
5. The Operator's liability under this Contract shall continue in full force and effect until the Division certifies that the Operator has reclaimed the Disturbed Area in accordance with the Act and implementing rules, the Notice of Intention, as amended and the Reclamation Plan, as amended.
6. If reclamation of discrete sections of the Disturbed Area is completed to the satisfaction of the Division, and the Division finds that such sections are severable from the remainder of the Disturbed Area, Operator may request the Division to certify that Operator has reclaimed such discrete sections of the Disturbed Area in accordance with the Act and Implementing rules, the Notice of Intention, as amended and the Reclamation Plan, as amended. If the Division makes such certification, Operator may make request to the Division that the aggregate face



amount of the Surety Contract provided pursuant to paragraph 2 be reduced to an amount necessary to provide for completion of the remaining reclamation. The Division shall hear Operator's request for such reduction in accordance with the Board's Procedural Rules concerning requests for Agency Action.

7. Operator agrees to indemnify and hold harmless the State, Board and the Division from any claim, demand, liability, cost, charge, suit, or obligation of whatsoever nature arising from the failure of Operator or Operator's agents and employees, or contractors to comply with this Contract.
8. Operator may, at any time, submit a request to the Division to substitute surety. The Division may approve such substitution if the substitute surety meets the requirements of the Act and the implementing rules.
9. This Contract shall be governed and construed in accordance with the laws of the State of Utah.
10. If Operator shall default in the performance of its obligations hereunder, Operator agrees to pay all costs and expenses, including reasonable attorney's fees and costs incurred by the Division and/or the Board in the enforcement of this Contract.
11. Any breach that the Division finds to be material of the provisions of this Contract by Operator may, at the discretion of the Division, result in an order to cease mining operations. After opportunity for notice and hearing, the Board of Oil, Gas and Mining may enter an order to revoke the Notice of Intention, order reclamation, or order forfeiture of the Surety Contract, or take such other action as is authorized by law.
12. In the event of forfeiture of the Surety Contract, Operator shall be liable for any additional costs in excess of the surety amount which are required to comply with this Contract. Any excess monies resulting from forfeiture of the Surety Contract, upon completion of reclamation and compliance with this Contract, shall be returned to the rightful claimant.
13. This Contract including the Notice of Intention, as amended and the Reclamation Plan, as amended, represents the entire agreement of the parties involved, and any modification must be approved in writing by the parties involved.
14. Each signatory below represents that he/she is authorized to execute this Contract on behalf of the named party.



OPERATOR:

Quality Building Stone, Inc.

Operator Name

By Weston Hansen  
Authorized Officer (Typed or Printed)

Director  
Authorized Officer - Position

Officer's Signature

Date

7/22/005

STATE OF Utah )  
COUNTY OF Salt Lake ) ss:

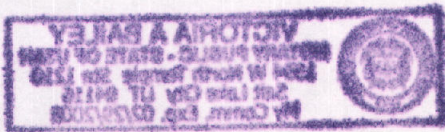
On the 22 day of July, 2005, Weston J. Hansen personally appeared before me, who being by me duly sworn did say that he/she is the Director of Quality Building Stone, Inc. and duly acknowledged that said instrument was signed on behalf of said company by authority of its bylaws or a resolution of its board of directors and said Weston J. Hansen duly acknowledged to me that said company executed the same.

Victoria A. Bailey  
Notary Public  
Residing at SALT LAKE CITY, UT

February 29, 2008  
My Commission Expires:









DIVISION OF OIL, GAS AND MINING:

By John R. Baza  
John R. Baza, Director

Date 7/28/05

STATE OF Utah )  
COUNTY OF Salt Lake ) ss:

On the 28<sup>th</sup> day of July, 2005, John R Baza  
personally appeared before me, who being duly sworn did say that he, the said  
John R Baza is the Director of the Division of Oil, Gas and Mining,  
Department of Natural Resources, State of Utah, and he duly acknowledged to me that  
he executed the foregoing document by authority of law on behalf of the State of Utah.



Joelle Burns  
Notary Public  
Residing at: SLC Utah

April 4, 2009  
My Commission Expires:



## ATTACHMENT "A"

Quality Building Stone, Inc.  
Operator

Italian Tan  
Mine Name

S/007/038  
Permit Number

Carbon County, Utah

### LEGAL DESCRIPTION

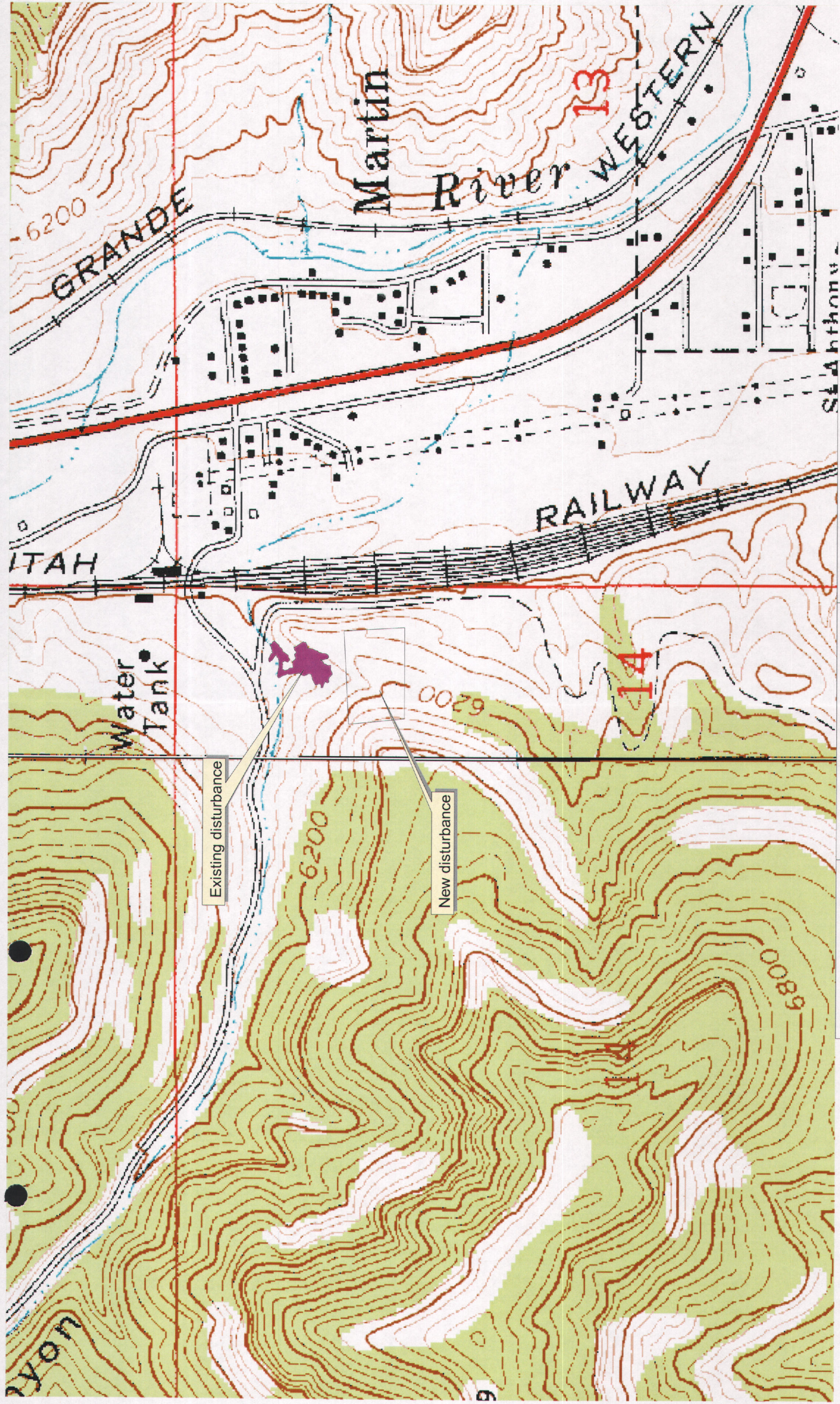
*Include 1/4, 1/4, 1/4 sections, townships, ranges and any other descriptions that will legally determine where disturbed lands are located. Attach a topographic map of suitable scale (max. 1 inch = 500 feet; 1 inch = 200 feet or larger scale is preferred) showing township, range and sections and a clear outline of the disturbed area boundaries tied to this Reclamation Contract and surety.*




**The detailed legal description of lands to be disturbed includes portions of the following lands not to exceed 5 acres under the approved / accepted permit and surety, as reflected on the attached map labeled Attachment C and dated June 23, 2005 :**

Portions of:

NE $\frac{1}{4}$  NE $\frac{1}{4}$  Section 14, Township 13 South, Range 9 East, SLBM





|   |   |  |   |  |   |
|---|---|--|---|--|---|
| <br>Dept. of Natural Resources<br>Division of Oil, Gas & Mining<br>Mineral Mines Program | Scale 1:6000<br>Contour Interval: 40 feet   |  |  |  | Mine Number: S/007/038<br>Mine Name: Italian Tan<br>Township 13 S Range 9 E Section 14 SLBM<br>Site is on the Helper Quad |
|   |  |  | 200 0 200 400 Feet  |  | Drafted by PBB<br>June 23, 2005   |



| date     | initiation (I) or<br>Reply ( R ) | contact                        | action  |
|----------|----------------------------------|--------------------------------|---|
| 7/7/2005 | I                                | Paul Baker advises of new bond | contact Rosemary at Far West Bank<br>she said Mr Hansen phoned her, lm, wanted to<br>know fees. She thinks he wants a LOC<br>(\$12,500) |
| 7/7/2005 | I                                | Rosemary, Far West Bank        |   |
| 7/7/2005 | I                                | Rosemary, Far West Bank        | emailed Rosemary LOC information  |
| 7/7/2005 | I                                | Paul Baker                     | emailed Paul, advised sent LOC  |
|          |                                  |                                |   |
|          |                                  |                                |   |
|          |                                  |                                |   |
|          |                                  |                                |   |





GARY R. HERBERT  
Governor

GREGORY S. BELL  
Lieutenant Governor

# State of Utah

## DEPARTMENT OF NATURAL RESOURCES

MICHAEL R. STYLER  
Executive Director

### Division of Oil, Gas and Mining

JOHN R. BAZA  
Division Director

April 15, 2013

Velina Miller  
Quality Building Stone  
933 West 14730 South  
Bluffdale, Utah 84065

Subject: Updated Reclamation Contract, Quality Building Stone, Italian Tan Quarry,  
S/007/0038, Carbon County, Utah

Dear Ms. Miller:

Thank you for providing the updated reclamation contract for the Italian Tan Quarry. The Associate Director of Mining approved this addendum on April 3, 2013. A copy is enclosed for your records.

Thank you for your help in completing this regulatory requirement.

Sincerely,

Paul B. Baker  
Mineral Program Manager

PBB:whw:pb

Enclosure: reclamation contract

P:\GROUPS\MINERALS\WP\M007-Carbon\S0070038-ItalianTan\final\CoverAddendum-04112013.doc





GARY R. HERBERT  
Governor

GREGORY S. BELL  
Lieutenant Governor

# State of Utah

## DEPARTMENT OF NATURAL RESOURCES

MICHAEL R. STYLER  
Executive Director

### Division of Oil, Gas and Mining

JOHN R. BAZA  
Division Director

April 1, 2013

Far West Bank  
Surety Department  
201 East Center  
Provo, Utah 84606

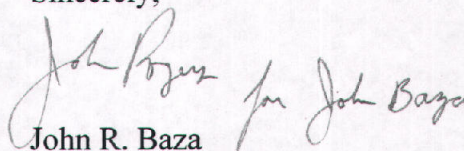
Subject: Authorization for Full Release of Reclamation Surety, Letter of Credit  
Quality Building Stone, Italian Tan Quarry, S/007/0038, Carbon County, Utah

Dear Sir or Madame:

Far West Bank is presently holding Letter of Credit \_\_\_\_\_ for the benefit of the State of Utah, Division of Oil, Gas and Mining, as a form of reclamation surety for Quality Building Stone's Italian Tan quarry. The Letter of Credit has been replaced with a Letter of Credit by another financial institution. The Division of Oil, Gas and Mining hereby releases Letter of Credit \_\_\_\_\_

If you have any questions or concerns, please contact Dana Dean at 801-538-5320, or Paul Baker at 801-538-5261. Thank you for your help in this matter.

Sincerely,

  
John R. Baza  
Director

JRB:pbb:pb

cc: Quality Building Stone – Velina Miller  
Penny Berry, OGM

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GARY R. HERBERT  
Governor

GREGORY S. BELL  
Lieutenant Governor

# State of Utah

## DEPARTMENT OF NATURAL RESOURCES

MICHAEL R. STYLER  
Executive Director

### Division of Oil, Gas and Mining

JOHN R. BAZA  
Division Director

July 2, 2012

Far West Bank  
Surety Department  
201 East Center  
Provo, Utah 84606

Subject: Authorization for Partial Release of Reclamation Surety, Letter of Credit #  
Quality Building Stone, Italian Tan Quarry, S/007/0038, Carbon County, Utah

Dear Sir or Madam:

Far West Bank is presently holding letter of credit (LOC) for the benefit of the State of Utah, Division of Oil, Gas and Mining, as a form of reclamation surety for Quality Building Stone's Italian Tan quarry. The Division has verified that a portion of the reclamation work has been completed, and this letter authorizes reduction of the value of the LOC to no less than \$3000.00.

When this transaction has been completed, please furnish the Division with an amended LOC.

If you have any questions or concerns, please contact Dana Dean at 801-538-5320, or Paul Baker at 801-538-5261. Thank you for your help in this matter.

Sincerely,

John R. Baza  
Director

JRB:pbb:pb

cc: Velina Miller, Quality Building Stone

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# **FAR WEST BANK**

Consumer Loan Department

S/007/038

RECEIVED

JUL 22 2005

DIV OF OIL GAS & MINING

Letter of Credit No. [REDACTED]

Date: July 13, 2005

UTAH DIVISION OF OIL, GAS, AND MINING  
1594 West North Temple, Suite 1210  
Box 145801  
Salt Lake City, Utah 84114-5801

and

Far West Bank  
201 E Center  
Provo, Utah 84606

and

Quality Building Stone, Inc.  
993 West 14730 South  
Bluffdale, Utah 84065

Gentlemen and Ladies:

1. Far West Bank ("Surety") of Provo, Utah, hereby establishes this irrevocable letter of credit in favor of the Utah Division of Oil, Gas, and Mining ("Division") for an aggregate amount not to exceed \$12,500.00 (twelve thousand five hundred dollars) in United States dollars effective immediately.

2. This Letter of Credit will expire upon the first event set forth as follows: (a) 5:00 p.m. (Salt Lake City time) on July 6, 2006, or (b) the date upon which sufficient documents are executed by the Division to release Quality Building Stone, Inc. ("Operator") from further liability for reclamation of the Italian Tan Quarry, S/007/038 with notice to Bank or Surety by the Division accompanied by the original Letter of Credit with directions for cancellation.

3. This Letter of Credit will be automatically extended for successive periods of one year from the current or any future expiration date unless the Surety gives notice to the Division 90 days prior to the expiration date that the Surety elects not to renew the Letter of Credit.

4. Funds under the Letter of Credit are available against the Division's sight draft, in the form of Exhibit A, specifying Letter of Credit No. [REDACTED] delivered to the office of the Surety, 201 E Center, Provo, Utah, 84606. At the Division's sole election, the Division may present sight drafts for less than the Face Amount so long as the aggregate amount of all sight drafts does not exceed the Face Amount. Each draft must be accompanied by a certificate in the form of Exhibit B, signed by a duly authorized representative of the Division.



5. If the Surety receives the Division's sight draft(s) and certificate(s) as provided in Paragraph No. 4 above on or before the expiration or termination of this Letter of Credit, the Surety will make such amount as the Division may specify, within the limits of the second sentence of Paragraph No. 4 of this Letter of Credit, available to the Division no later than the close of business, Salt Lake City time, on the second business day following the Surety's receipt of the sight draft and certificate and in such a manner as the Division may specify.

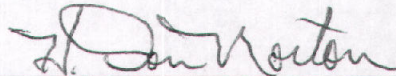
6. The Surety will give prompt notice to the Operator and to the Division Director of any notice received of action filed alleging the insolvency or bankruptcy of the Surety, or alleging any violations of regulatory requirements which could result in suspension or revocation of the Surety's charter or license to do business.

7. The Letter of Credit will be governed by the laws of the State of Utah and shall be subject to the Uniform Customs and Practice for Documentary Credit, 1993 revision, International Chamber of Commerce Publication No. 500, as the same may be amended and in effect from time to time ("UCP"). In the event of a conflict between Utah law and the UCP, Utah law shall govern.

8. All communications regarding this Letter of Credit will be addressed to the Surety, 201 East Center, Provo, Utah, 84606, referencing Letter of Credit No. \_\_\_\_\_

Very truly yours,

Far West Bank



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By: H. Don Norton-President



**EXHIBIT A - SIGHT DRAFT**

**To: UTAH DIVISION OF OIL, GAS, AND MINING**

**Letter of Credit Number** \_\_\_\_\_

\_\_\_\_\_  
Date

\_\_\_\_\_  
City, County

\_\_\_\_\_  
Letter of Credit No.

\_\_\_\_\_  
PAY TO THE ORDER OF: Utah Division of Oil, Gas, and Mining

\_\_\_\_\_  
DOLLARS

To: FAR WEST BANK  
201 E CENTER  
PROVO, UTAH 84606

Utah Division of Oil, Gas, and Mining  
1594 West North Temple, Suite 1210  
Box 145801  
Salt Lake City, Utah 84114-5801

By: \_\_\_\_\_  
Authorized Signature



## EXHIBIT B

To: UTAH DIVISION OF OIL, GAS, AND MINING

Letter of Credit Number \_\_\_\_\_

I, \_\_\_\_\_ a duly authorized representative of the Utah Division of Oil, Gas and Mining, hereby certify that (1) the drawing in the amount of \$12,500.00, by sight draft accompanying this certificate, under Letter of Credit No. \_\_\_\_\_ dated July 14, 2005, issued by you is permitted under the provision of the Letter of Credit, (2) the Letter of Credit has neither expired nor terminated pursuant to its terms, (3) the amount of the sight draft, together with any amounts previously drawn under the Letter of Credit, does not exceed the Face Amount, and (4) the Utah Board of Oil, Gas, and Mining, after notice and hearing, has entered an Order which has not been stayed, ordering forfeiture of Letter of Credit No. \_\_\_\_\_ in accordance with applicable law. Proceeds of this drawing will be utilized in full to pay the expenses relating to the reclamation liability, together with the costs of collection, including attorneys fees, for the Italian Tan Quarry, S/007/038.

The Utah Division of Oil, Gas, and Mining

By: \_\_\_\_\_  
Authorized Signature

Date: \_\_\_\_\_





GARY R. HERBERT  
Governor

GREGORY S. BELL  
Lieutenant Governor

# State of Utah

## DEPARTMENT OF NATURAL RESOURCES

MICHAEL R. STYLER  
Executive Director

### Division of Oil, Gas and Mining

JOHN R. BAZA  
Division Director

April 27, 2010

Velina Miller  
Quality Building Stone  
933 West 14730 South  
Bluffdale, Utah 84065

Subject: Requirements for Bond Release, Quality Building Stone, Italian Tan Quarry,  
S/007/0038, Carbon County, Utah

Dear Ms. Miller:

In the past, you have expressed an interest in getting bond release for the Italian Tan Quarry. Before the Division can proceed with bond release, please make a formal request for release. The form that you will need to use is found at [https://fs.ogm.utah.gov/pub/mines/minerals\\_related/forms/MR-SITE.pdf](https://fs.ogm.utah.gov/pub/mines/minerals_related/forms/MR-SITE.pdf).

The Division recently inspected the site, and the primary concern noted is erosion on some of the roads. Please see the enclosed inspection report. The Division recommends that erosion be controlled using either water bars or vegetation. A recommended seed mix is attached.

Bond release could be facilitated with a letter from the landowner saying they accept the alignment of the road and that they are willing to assume the long-term maintenance responsibility for the site.

If you have any questions please call me at 801-538-5261 or Wayne Western at 801-538-5263.

Sincerely,

Paul B. Baker  
Minerals Program Manager

PBB:whw:pb  
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JON M. HUNTSMAN, JR.  
*Governor*

GARY R. HERBERT  
*Lieutenant Governor*

# State of Utah

## DEPARTMENT OF NATURAL RESOURCES

MICHAEL R. STYLER  
*Executive Director*

### Division of Oil, Gas and Mining

JOHN R. BAZA  
*Division Director*

August 6, 2009

Certified Return Receipt  
7003 2260 0002 0247 8393

Velina Miller  
Quality Building Stone, Inc.  
993 West 14730 South  
Bluffdale, Utah 84065

Subject: Review of Reclamation Surety, Quality Building Stone, Inc., Italian Tan Mine, S/007/0038, Carbon County, Utah

Dear Ms. Miller:

The Division has recently evaluated and adjusted the required reclamation surety for Italian Tan Mine, per R647-4-113.6.12. The amount of the current bond is \$12,500.

You are currently authorized to mine up to five acres. During the June 23, 2005 inspection, representatives of Quality Building Stone and the Division used a GPS unit to locate an area of approximately 4.75 acres where mining would occur in the future. In the 2005 annual report, the last annual report the Division has on file, you reported that approximately 2 acres were disturbed.

The bond requirements are as follows:

#### Small Mining Operation Notices

| Project Size (Acres)           | Surety 3 & 5 year escalation   | Comments   |
|--------------------------------|--|--|
| 1 or less acres                | \$7,400 (3-year escalation)<br>\$7,600 (5-year escalation)   | Minimum amount required  |
| Additional acres up to 5 acres | \$4,300/ acre (3-year escalation)<br>\$4,400/acre (5-year escalation)  | Partial acreages rounded up (e.g., 1.2 acres = 2 acres)                                |
| Cumulative Amount for 5-acres  | (i.e. Maximum of 5 acres = \$7,400 + \$17,200 = <b>\$24,600</b> ) (3-year escalation)<br>(i.e. Maximum of 5 acres = \$7,600 + \$17,600 = <b>\$25,200</b> ) (5-year escalation) | \$600.00 difference between 3 and 5 year escalation amount for 5-acres of disturbance. |



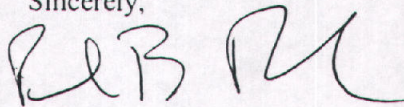
Velina Miller  
Page 2 of 2  
S/007/0038  
August 6, 2009

Based on the current maximum size of 5 acres as shown in your Notice of Intention (NOI), the bond amount must be escalated to \$24,600 for a three year escalation or \$25,200 for a five year escalation. An alternative would be for you to amend the NOI so that the maximum amount of disturbance would be two acres. In this case, the required surety amounts would be \$11,700 for a three-year escalation or \$12,000 for a five-year escalation.

Please provide the updated surety amount within 90 days of the date of this letter (November 4, 2009) or amend your NOI in order to reduce the maximum amount of disturbed acres to 2 acres. Failure to do so may result in the Division taking enforcement action.

Thank you for taking the appropriate action to maintain the surety in a current status. If you have any question please call me at 801 538-5261, or Wayne Western (lead) at 801 538-5263, or contact the bond coordinator, Penny Berry, at [bondcoordinator@utah.gov](mailto:bondcoordinator@utah.gov).

Sincerely,



Paul B. Baker  
Mining Program Coordinator  
Minerals Regulatory Program

PBB:ww:pb  
cc: Penny Berry, DOGM  
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UT  
USA

Utah

DRIVER LICENSE



1 MILLER  
2 VELINA KAY

*Velina Miller*

